



An Energy Efficiency Workshop & Exposition

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Kansas City, Missouri

# ***DOE Super ESPC Proposal Evaluation - A Graded Approach***

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## ***Process Overview***

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- Kickoff Meeting
- Initial Site Survey
- Initial Proposal
- Proposal Evaluation
- Decision to Proceed
- Detailed Site Survey
- Final Proposal
- Proposal Evaluation
- Congressional Notification
- Negotiations
- Award





## ***Initial Proposal - What is it?***

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- Limited energy audit report coupled to a financing plan
- Provides “minimal” information to Government (a.k.a. feasibility study)
- Sunk cost to ESCO if Government elects not to proceed



## *Initial Proposal Content*

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- Description of current practices and recommended ECMs
- Estimates of proposed energy and cost savings
- M&V overview
- Responsibility matrix
- Estimated price and cash flow



## ***Initial Proposal Evaluation***

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- Does it meet your project goals?
- Are energy savings estimates reasonable?
- Is M&V approach reasonable & appropriate?
- Is the responsibility matrix reasonable?
- Will site command support project?





## ***Initial Proposal Evaluation (cont)***

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- Do you agree with the baseline utility data?
- Do you agree with energy cost savings estimates?
- Does the overall contract term fit within your parameters?



## ***Considerations***

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- Avoid over-reviewing the initial proposal:
  - low-cost audit
  - based on limited level of detail & data
  - cost estimates likely based on Means
- Review from standpoint of a feasibility study
- Avoid the endless do-loop (requiring revisions to the initial proposal)



## ***Initial Proposal - End Result***

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The Government has to ultimately answer:

*Does the project, as scoped in the initial proposal, have sufficient merit and potential technical feasibility to warrant further project development?*







## ***Tools to Aide in the Evaluation***

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Evaluation of the Initial Proposal can be enhanced with the following tools:

- Project Scenario Builder
- Benchmarking Tool





## ***Final Proposal - Trivia & Reality***

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- Trivia:

*In proper contracting terms, the final proposal is actually a revision to the initial proposal*

- Reality:

*In reality the final proposal takes the form of an entirely new document*





## ***Final Proposal - What is it?***

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- Comprehensive energy audit report coupled to a financing plan
- Provides “detailed” information to the Government
- Based upon a fair amount of engineering design
- Basis for a fixed price award & guarantee of savings





## ***Final Proposal Content***

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- Basically, same as content in initial proposal, only in much greater detail.
- IDIQ contract or the Delivery Order Request for Proposal will actually specify the format for the final proposal.





## ***Final Proposal Evaluation***

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- Place less emphasis on review of work scope
- Place greater emphasis on:
  - correctness of energy savings calculations
  - correctness of energy cost savings
  - details associated with operation, maintenance, repair & replacement
  - capturing of DO RFP requirements





## ***Final Proposal Evaluation (cont)***

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- Place emphasis on:
  - M&V details
  - reasonableness of implementation pricing
  - reasonableness of ESCO Markups
  - Interest rate and justification of financing costs
  - reasonableness of commissioning details
  - Specialties (i.e. construction period energy savings, O&M savings)



## *Evaluations Vary in Scope*

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- Initial Proposal
  - Thrust of review is directed toward project scoping and the meeting of site goals & needs
  
- Final Proposal
  - Thrust of review is directed toward project details and specifics

## *Summary*

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- Be cognizant of the level of detail that goes into each type of proposal
- Place emphasis on work scope and overall feasibility during initial proposal evaluation
- Don't over-review the initial proposal
- Try to avoid revisions to the initial proposal



## ***Summary (cont)***

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- Use initial proposal as a means to brief site command and gain approval
- Communication is essential (in all phases)
- Take a “time-out” between detailed survey & final proposal to nail down work scope
- Emphasize technical and price details during final proposal evaluation

## ***Summary (cont)***

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- o Establish who the Government reviewers will be and their roles
- o Rely on them as subject matter experts
- o Set timelines for review

# *Questions?*

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